



Quarterly Client Newsletter

2nd QUARTER COMMENTARY BY FRANK STERNECK FOUNDER & CHIEF INVESTMENT OFFICER

As we close the books on the second quarter and first half of 2025, we want to take a moment to reflect on what has been a dynamic and, at times, turbulent period for global markets.

The first half of 2025 was marked by volatility and resilience. After a sharp sell-off in the first Q and the start of the second, equity markets staged a powerful rebound. The S&P 500, which had fallen nearly 18% by mid-April, rallied to finish the first half up 5.5%. International equities outpaced U.S. stocks, with developed and emerging markets gaining 15–20%, buoyed by a weakening U.S. dollar and renewed global optimism.

Key Drivers

- **Tariff Turbulence, Then Relief:** President Trump's aggressive trade rhetoric rattled markets early in the year, but the lack of follow-through on punitive tariffs helped calm investor nerves.
- **Interest Rate Outlook:** The Federal Reserve held rates steady but signaled potential cuts later this year. Bond yields fluctuated, with the 10-year Treasury ending Q2 around 4.2%.
- **Dollar Weakness:** The U.S. dollar posted its worst first-half performance in over 50 years, falling nearly 11%, which boosted returns for international assets and commodities.
- **Gold & Commodities:** Gold surged over 24% YTD, reaching record highs, while oil prices declined amid geopolitical uncertainty.
- **AI & Tech Momentum:** Despite early-year setbacks, enthusiasm around artificial intelligence and tech innovation reignited in Q2, helping lift growth-oriented sectors.

Our diversified approach with exposure across U.S. and international equities, fixed income, and alternative assets helped navigate the volatility. While U.S. large-cap stocks recovered, international equities was a standout performer, validating our emphasis on global diversification.

Looking Ahead

The second half of 2025 presents both opportunities and risks. Key themes we're watching include:

- The Fed's path on interest rates and inflation
- The evolving trade landscape and potential policy shifts
- Continued strength in international markets
- The durability of the AI-driven tech rally

While uncertainty always exists, we believe that staying invested, diversified, and disciplined is the best path forward. As always, we are here to help you navigate the road ahead with clarity and confidence. Thank you for your continued trust.

REMINDER: TEXT BUSINESS LINES

Sterneck Capital Management offers a secure and compliant way to text with our team. All business-related electronic communications must be archived. In line with SEC requirements, our technology ensures your messages are protected and properly stored.

For your convenience, please use the following business numbers for both business related calls and texts.

Frank Sterneck (435) 406-3284
Robin Sterneck (816) 327-1774
Austin Drake (816) 549-2685
Brandie Giffin (816) 286-4022
Merrit Kerr (816) 684-6718

Source: Copilot

MISSION As a fiduciary we commit to excellence and high standards as we deliver tailored portfolios and financial planning to reduce risk, improving the probability of our clients' success.

CORE VALUES Client-Centric Stewardship
Integrity
Excellence
Team Work

WE'RE MOVING! New Office Location Effective July 30, 2025

We're excited to share our office will be relocating to a new space that reflects our continued commitment to serving you with excellence.

This move comes as our current building is being repurposed following the expiration of our lease. It also presented a timely opportunity to identify a new location that better supports the experience, privacy, and accessibility our clients deserve.

Our team is looking forward to welcoming clients to our new office and continuing to provide the personalized service and trusted guidance you've come to expect.

New Address as of 7.30.25:
Sterneck Capital Management, LLC
1251 NW Briarcliff Pkwy, Ste. 95
Kansas City, MO 64116



INTERN SPOTLIGHT

SCM welcomes Jon Kiebusch as our Summer Intern! Jon attends the University of Georgia where he is pursuing a degree in Business Administration with an emphasis in Finance. His enthusiasm for financial markets and dedication to learning make him a strong addition to our team.

Our internship program is designed to introduce bright and eager young professionals like Jon to the wealth management industry, while also providing valuable support on firm initiatives.

RECOMMENDED READ: NAVIGATING PARENTHOOD'S EVOLUTION

In *Doing Life with Your Adult Children*, parenting expert Jim Burns offers timely guidance for a phase of life many of our clients quietly wrestle with - how to maintain strong, healthy relationships with grown children while respecting their independence. With empathy and wisdom, Burns addresses common challenges like unsolicited advice, boundaries, and shifting expectations. It's a thoughtful, grace-filled resource for anyone striving to support their adult children without overstepping.

Following are common questions Burns addresses: *What's the difference between helping financially and enabling? What boundaries should I set if my child moves back home? How do I relate to my grown children's significant other? How can I support my grown children when I don't support their values?* Burn's spiritual foundations, relatable examples and practical strategies, make this an easy read.

APPRECIATION FOR CLIENT PARTICIPATION

BY AUSTIN DRAKE CFP®, SENIOR WEALTH ADVISOR

Thank you for taking the time to complete our recent client survey. We truly value your feedback—it helps us better understand your needs and continue improving the service and experience we provide. Your insights are incredibly helpful as we look for new ways to serve you better and ensure we're aligned with what matters most to you. Many of you expressed strong interest in topics such as investments, retirement and longevity planning, tax reduction, estate planning, and healthcare. We'll continue to provide educational resources on these subjects and address them individually during client stewardship review meetings.

As a reminder, we utilize a range of tools to support your planning, including: Estate planning software that enables clients to create a Trust and Will at no cost Financial planning technology to help project retirement needs, healthcare costs, and cash flow Advanced tax software to analyze tax returns line by line and identify opportunities for tax-efficient strategies

If there's anything you'd like to explore further or if you have additional thoughts, please don't hesitate to reach out. We're always here to help. In the meantime, check our Resource tab for educational articles @ www.sterneckcapital.com.

Disclosure: Advisory services offered through Sterneck Capital Management LLC (SCM), a Registered Investment Adviser. SCM opinions are subject to change, are informational, not intended as a forecast or guarantee of future results, and does not constitute individual investment advice. Investments in securities entail risk and are not suitable for all investors. Statements of future expectations, projections, and other forward-looking statements are based on available information and SCM's view at the statement time. Forward-looking statements may be identified by the use of such words as; "believe," "expect," "anticipate," "should," "planned," "estimated," "potential" and other similar terms.